



IRISH LIFE INVESTMENT MANAGERS (ILIM)

The week that was – WEEK 37 (ending 11/09/2015)

“Be yourself; everyone else is already taken.” — Oscar Wilde

Irish GDP grew by 6.7% to June – The latest Quarterly National Accounts from the Central Statistics Office (CSO) show the economy is now growing at nearly 7% on an annual basis as gross domestic product grew by 1.9% in the three months to the end of June, the fastest rate recorded in the euro zone, which averaged 0.4%.

Euro-area GDP growth strongest since 2011 – Euro-area GDP growth was revised up in Q1 to 0.5%, and to 0.4% in Q2. This follows a rise in the euro-area composite PMI (Purchasing Managers Index) to a four-year high in August, suggesting stronger growth in Q3. Annual GDP growth is now 1.5%, the strongest since 2011.

Global food prices fall at fastest rate in 7 years – Global food commodity prices continued to decline in August as ample supplies, a drop in energy prices and concerns over China's economic slowdown all contributed to the largest fall of the FAO (Food & Agricultural Org) Food Price Index in almost 7 years.

World Bank's chief gives warning to Fed on U.S. interest rate rise – Kaushik Basu, the World Bank's chief economist has warned the Federal Reserve that it will cause "panic and turmoil" if it raises interest rates next week. He said emerging economies would be hit hardest if rates rise for the first time in nine years.

Goldman Sachs cuts oil price forecast for 2016 – Oil prices fell after Wall Street's most influential voice in oil trading, Goldman Sachs, slashed its price outlook through next year, citing oversupply and concerns about China's economy. Goldman lowered its 2016 forecast for U.S. crude to \$45 a barrel from \$57 previously.

China's trade surplus jumps 40% in August – China's trade surplus surged by 40% in August as imports dropped 14.3% and foreign trade dropped 9.7% year-on-year. Exports fell 6.1%. The fall in imports in August partly reflects cheaper commodities. The above dip in exports of 6.1% compares with an 8.9% decline in July.

The Story of the week: Guinness World Records, the global authority on record-breaking achievements, this week announced a selection of its most amazing new records. Rampaging reptile Bertie, from Durham, is revealed as the world's fastest tortoise, achieving a speed of 0.28m/s (0.6 miles/hr) and breaking a record held since 1977.

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Index Performances and Market Data*

Equity Markets % (in Local Currency)	2010	2011	2012	2013	2014	2015 YTD (to 10/09)
ISEQ Overall Return	-0.1	2.6	20.5	35.8	16.8	27.5
FTSE 100 TR	12.6	-2.2	10.0	18.7	0.7	-6.2
Euro Stoxx 50 TR	-2.8	-14.1	18.1	21.5	4.0	2.4
S&P 500 TR	15.1	2.1	16.0	32.4	13.7	-3.8
Nasdaq Composite	16.9	-1.8	15.9	38.3	13.4	1.3
Nikkei 225	-3.0	-17.3	22.9	56.7	7.1	4.9
MSCI Emerging Markets	11.7	-14.9	13.9	0.9	2.6	-7.8
MSCI World	7.8	-7.6	13.1	26.2	7.7	-3.0
Sovereign 10yr Bond Yields (%)	2010	2011	2012	2013	2014	2015 YTD
US	3.3	1.9	1.7	3.0	2.2	2.2
German	3.0	1.8	1.4	1.9	0.5	0.6
UK	3.4	2.0	1.9	3.0	1.9	1.8
Japan	1.1	1.0	0.7	0.7	0.3	0.3
Ireland	9.1	8.4	4.5	3.4	1.3	1.4
Italy	4.8	7.1	4.6	4.1	2.1	1.8
Greece	12.5	31.7	12.7	8.2	9.6	8.3
Portugal	6.6	13.4	6.9	6.1	2.7	2.6
Spain	5.5	5.1	5.4	4.1	1.6	2.1
Central Bank Rates (%)	2010	2011	2012	2013	2014	2015 YTD
ECB	1	1	0.75	0.25	0.05	0.05
Bank of England	0.5	0.5	0.5	0.25	0.50	0.50
US Federal Reserve	0.25	0.25	0.25	0.25	0.25	0.25
Foreign Exchange Rates	2010	2011	2012	2013	2014	2015 YTD
Euro/Dollar (€/\$)	1.34	1.30	1.31	1.37	1.21	1.13
Euro/Sterling (€/£)	0.86	0.83	0.81	0.83	0.78	0.74
Sterling/Dollar (£/\$)	1.56	1.55	1.61	1.65	1.56	1.54
IPD All Property Return (%)	2010	2011	2012	2013	2014	2015 YTD
Ireland	-2.4	-2.4	3.1	12.7	40.1	4.3 (Q 1)
UK	14.5	8.1	2.7	10.7	17.8	2.9 (Q 1)
US	14.8	14.5	5.3	11.4	11.2	3.1 (Q 1)

*Past performance is not a reliable guide to future performance